

# CALIFORNIA ALTERNATIVE FUEL VEHICLE INCENTIVES AND LAWS



California is the proud home of eleven Clean Cities:

Coachella Valley	San Diego
Lancaster	San Francisco
Long Beach	San Joaquin Valley
Oakland	South Bay (San Jose)
Los Angeles	Southern California Association
Sacramento	of Governments (SCAG)

## Overview

California has a wide variety of incentives for alternative fuel vehicles (AFVs). The California Energy Commission (CEC) offers incentives of \$1,000 for certified low emission vehicles (LEVs), and \$1,500 for certified ultra-low emission vehicles (ULEVs). Air Pollution Control Districts in California that have not attained State and Federal air quality standards may collect an annual surcharge of up to \$4 per vehicle as part of the California Department of Motor Vehicles registration fee. These funds are used for projects related to reducing pollution from motor vehicles, including AFV programs and incentives.

## Highlights

- \$ The CEC has incentives of \$1,000 for natural gas vehicles (NGVs) that have been certified LEVs; \$1,500 for certified ULEVs.
- \$ Up to \$5,000 for the incremental cost of a zero emission vehicle (ZEV) for fleets located in designated Clean Cities.
- \$ \$5,000 incentive for purchase of a qualified electric vehicle (EV) from the South Coast Air Quality Management District (SCAQMD) and from the San Diego Air Pollution Control District.
- \$ \$200 - \$800 incentives from the Sacramento Metropolitan Air Quality Management District for AFVs operating 75% of the time in the Sacramento air district.
- \$ \$1,000 incentive from the San Diego Air Pollution Control District for dedicated NGVs or certified LEV conversions through December 1996.

## State Incentives

- \$ The CEC offers a \$1,000 incentive for NGVs that have been certified as LEVs, while a \$1,500 incentive is available for certified ULEVs. Incentives are not offered to utilities and Federal government agencies. The incentives are in the form of cash rebates which are distributed by 3 of the California utilities: Southern California Gas Company, Pacific Gas and Electric, and San Diego Gas & Electric. Contact Susan Patterson at (916) 654-4992 for more information about the cash incentives. You can also contact the CEC Transportation Technology and Fuels Office at (916) 654-4634.
- \$ The CEC, through a pilot grant from the U.S. Department of Energy, will fund a portion of the incremental cost of 40 ZEVs for fleets located in designated Clean Cities. A maximum of \$5,000 will be available per vehicle. Contact Susan Patterson at (916) 654-4992 for additional information.
- \$ The Quick-Charge program of the SCAQMD offers a \$5,000 incentive for the purchase of pre-qualified EVs in the 1996 and 1997 model years. The rebate applies only to EVs sold and operated in the SCAQMD. The program has \$6 million available on a first-come first-served basis. Charging facilities are currently being implemented under the Community Corridor Program, which is funded at \$1.8 million. For additional information, contact Ray Gorski at (909) 396-2479.

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## State Incentives (cont.)

- § The SCAQMD also administers the Air Quality Investment Program (AQIP) that funds proposals for improving air quality, including AFV projects. The program is administered quarterly. Contact Connie Day at (909) 396-3055 for more information on the current request for proposals (RFP).
- § The Sacramento Metropolitan Air Quality Management District offers \$200 of M85 (85% methanol) free to public and private owners of flexible fuel vehicles (FFVs) that operate 75% of the time in the Sacramento air district. The Sacramento air district offers incentives of \$200 - \$800 for certified LEV alternative fuel light- and medium-duty vehicles operating 75% of the time in Sacramento County. The amount of the incentive is based on the exhaust emission category of the vehicle. A total of \$100,000 is available on a first-come first-served basis. The program will end when the funding is depleted. Money is also available for incentives for heavy-duty LEVs. Call Tim Taylor at (916) 386-7042 for more information.
- § The San Diego Air Pollution Control District (APCD) offers a \$1,000 incentive for factory-produced dedicated NGVs or certified LEV conversions through December 1996. A total of \$500,000 is available on a first-come first-served basis. The program is administered by San Diego Gas & Electric. For more information, call Kim Cresencia at (619) 654-1107.
- § The San Diego APCD offers a \$5,000 incentive for the purchase of a qualified EV. A total of \$100,000 is available on a first-come, first-served basis. For more information, contact Morris Dye at (619) 654-3303.

Air Pollution Control Districts (APCDs) in California that have not attained State and Federal air quality standards may collect an annual surcharge of up to \$4 per vehicle as part of the California Department of Motor Vehicles registration fee. These funds are used for projects related to reducing pollution from motor vehicles. Each APCD runs its own program and has a different funding level. Total funding for the entire state is around \$8 million per year. Funds are available to local governments, government agencies, private industry, and research institutions, with a preference for partnerships and coalitions. Most APCDs have formal Request for Proposals (RFPs) at specific times during the year.

Contact your local APCD to request information about its specific program. Ask the APCD to put your name on its mailing list to receive meeting notices, program announcements, and RFPs.

<u>Air Pollution Control District</u>	<u>Contact Person</u>	<u>Phone Number</u>
Bay Area Air Quality Management District	Mark Kragen	(415) 749-4643
Imperial County APCD	Miguel Monroy	(619) 339-4314
Kern County APCD	Tom Paxson	(805) 861-2593
Mojave Desert Air Quality Management District	Eldon Heaston	(619) 245-1661
Sacramento AQMD	Tim Taylor	(916) 386-7042
San Diego APCD	Morris Dye	(619) 654-3303
San Joaquin Valley Unified APCD	Jeff Findley/John Villeneuve	(209) 497-1075
San Luis Obispo County APCD	Larry Allen	(805) 781-4247
Santa Barbara County APCD	Mahesh Talwar	(805) 961-8922
South Coast Air Quality Management District	Cindy Sullivan	(909) 396-3249
Ventura County APCD	Scott Johnson	(805) 645-1491
	Barbara Page	(805) 645-1415
Yolo-Solano AQMD	Andrew F. Nantz	(916) 757-3670

## *Utilities/Private Incentives*

**Los Angeles Department of Water and Power (LADWP)** offers an EV discount of 2.5¢/kilowatt hour (kWh) of electricity. The discount is available for a maximum of 500 kWh per month limited to the Base Period Rate (off-peak hours). LADWP has proposed additional incentives for installing EV charging equipment. LADWP also provides EV infrastructure services to help customers determine applications for EVs in fleet operations, EV maintenance services, and training. For additional information, call LADWP's Electric Transportation Hotline at (800) 552-2334.

**Pacific Gas and Electric (PG&E)** has an extensive program to educate its customers on the safe and efficient use of natural gas and electricity as vehicle fuels. For information on NGV Programs, contact Joe Garcia at (415) 973-4162. Contact Kent Harris at (415) 973-6981 for more information on EV programs. PG&E also offers a publication listing NGV refueling sites entitled, "Quick Reference Guide for Fueling Stations." Call PG&E's alternative fuels hotline at (800) 684-4648 for a copy of the publication for additional information on alternative fuels.

**San Diego Gas and Electric** administers the NGV incentive program for the San Diego APCD and offers a special discounted rate of electricity used to charge EVs. For more information contact Risa Barron at (619) 654-1108.

**Sacramento Municipal Utility District (SMUD)** has a discounted off-peak rate of 4.187¢/kilowatt hour (kWh) for electricity used to charge an EV for residential customers. The SMUD also has lower off-peak electricity rates for EV charging for commercial customers. Contact Mike Wirsch at (916) 452-3211 for more information.

**Southern California Edison** has a special time of use rate for customers who install a meter to charge EVs during off-peak hours. Two residential time of use rates and one commercial time of use rate are available. For additional information, contact Coleen Tessema at (818) 302-8715.

**Southern California Gas Company** offers assistance to fleet operators wishing to purchase and/or convert to NGVs. Southern California Gas Company produces a directory of financial assistance available in California in the "Clean Fuel Vehicle Funding Opportunities" document. A copy of the publication, or the latest financial assistance information, can be obtained by calling the NGV Hotline at (800) GAS-2000, or contact Rick Price at (213) 244-3679.

## *Laws & Regulations*

Purchases of compressed natural gas (CNG) and liquefied petroleum gas (LPG) as vehicle fuels are taxed by an annual flat sticker tax.

Excise taxes on alcohol fuels, ethanol (E85) and methanol (M85), are reduced to one-half the rate imposed on gasoline, because of their lower BTU content. Legislation adopted in 1993 eliminated the expiration date for this incentive. Neat (100%) alcohol fuels are exempt from fuel taxes. The tax for gasoline is 17¢/gallon.

In 1991, California adopted vehicle and fuels requirements, as well as a "reactivity protocol" for various clean fuels. The plan, amended in March 1996, establishes exhaust emission standards in four progressively more stringent categories:

- Transitional Low-Emission Vehicles (TLEVs)
- Low-Emission Vehicles (LEVs)
- Ultra-Low-Emission Vehicles (ULEVs)
- Zero-Emission Vehicles (ZEVs).

The California Air Resources Board (CARB) originally required that, beginning in 1998, 2% of all vehicles sold by major automakers must be ZEVs. By 2003, 10% of sales must be ZEVs. On March 23, 1996, CARB suspended the 2% requirement for the years 1998-2002.

State law authorizes local governments to assess emission fees to fund vehicle demonstration programs.

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## ***Laws & Regulations (cont.)***

1990 legislation allows districts in nonattainment areas to require public and private fleet operators to purchase LEVs and operate them on clean fuels. All passenger vehicles for hire in nonattainment areas are required to use alternative fuels. The state is required to purchase 25% AFVs as it replaces fleet vehicles.

1991 legislation provides that ownership or operation of a facility selling retail natural gas for motor fuel use to the public is not to be construed as a public utility.

The California Public Utilities Commission is charged with encouraging the state's utilities to develop substantial market penetration of CNG and electric fueled vehicles.

Under law, the Public Utilities Commission may establish special incentive tariffs for refueling electric or CNG vehicles.

A law requests that CARB establish a 40¢/gallon production incentive for liquid fuel fermented in California from biomass resources. However, no funds have ever been appropriated for this incentive.

The CEC has developed the Calfuels Plan, a consumer recharging and refueling infrastructure master plan. As part of this plan, CEC has released a resource guide for AFV infrastructure. Contact Heather Raitt at (916) 654-4735 for a copy.

An Executive Order (W-100-94) increases the percentage of AFVs in state fleets to match those in Federal fleets. The schedule is as follows:

1996	25%
1997	33%
1998	50%
1999	75%

The Executive Order also calls for at least 10% of state fleet purchases to include ULEVs and ZEVs in 1996 and beyond.

Alternative fuel buses will be used as feeder buses between rail passenger services and airports whenever possible.

Fleets of 15 or more vehicles under a single owner in the SCAQMD are required to purchase or replace vehicles with ones that operate on clean-burning fuel. Vehicles must be original equipment manufacturer (OEM) vehicles only, not conversions.

## ***Points of Contact***

### **Coachella Valley Clean Cities Coordinator**

Tracy Daly (619) 343-3456  
Sun Line Transit Agency extension 112

### **Lancaster Clean Cities Coordinator**

Brian Hawley (805) 723-6000  
City of Lancaster

### **Long Beach Clean Cities Coordinator**

Paul Smock (310) 570-2052  
City of Long Beach Gas Co.

### **Los Angeles Clean Cities Coordinator**

Leilani Johnson (213) 580-1028  
City of Los Angeles

### **Oakland Clean Cities Coordinator**

George N. Oakes (510) 615-5480  
City of Oakland

### **San Diego Clean Cities Coordinator**

Kim Cresencia (619) 654-1107  
San Diego Gas & Electric Co.

### **Sacramento Clean Cities Coordinator**

Bill Fairbairn (916) 643-5443  
McClellan Air Force Base

### **San Francisco Clean Cities Coordinator**

Rick Ruvolo (415) 554-6184  
City and County of San Francisco

### **San Joaquin Valley Clean Cities Coordinator**

Joseph Oldham (209) 297-4000  
Clovis Unified School District extension 2856

### **South Bay (San Jose) Clean Cities Coordinator**

Rita Norton (408) 277-5533  
City of San Jose

# CALIFORNIA ALTERNATIVE FUEL VEHICLE INCENTIVES AND LAWS

## *Points of Contact (cont.)*

### **Southern California Association of Governments Clean Cities Coordinator**

David Preece (213) 236-1948  
Southern California Association of Governments

### **Future Clean Cities**

#### **Redwood Empire Clean Cities Coalition (Santa Rosa/Napa Valley)**

Chuck Hammond (707) 543-3903  
County of Santa Rosa

#### **Riverside Clean Cities Coalition**

Jody Orttung (909) 686-4711  
City of Riverside

#### **Santa Barbara Clean Cities Coalition**

Mike Grimes (805) 564-5568  
City of Santa Barbara

#### **Santa Monica Clean Cities Coalition**

John Ingersoll (818) 565-5512  
Helios International

**California Energy Commission (CEC)** (916) 654-4634  
Susan Patterson (916) 654-4992

### **South Coast Air Quality Management District (SCAQMD)**

Ray Gorski (909) 396-2479  
Connie Day (909) 396-3055

### **Sacramento Metropolitan Air Quality Management District**

Tim Taylor (916) 386-7042

### **Los Angeles Department of Power and Water**

Christy Zidonis (213) 367-0292

### **Pacific Gas and Electric**

Alternative Fuels Hotline (800) 684-4648  
Joe Garcia (NGV programs) (415) 973-4162  
Kent Harris (EV programs) (415) 973-6981

### **Sacramento Municipal Utility District**

Mike Wirsch (916) 452-3211

### **San Diego Air Pollution Control District**

Morris Dye (619) 654-3303

### **San Diego Gas & Electric**

Risa Barron (619) 654-1108

### **Southern California Edison**

Coleen Tessema (818) 302-8715

### **Edison EV**

Enid P. Joffe (213) 452-4627

### **Southern California Gas Company**

NGV Hotline (800) GAS-2000  
Rick Price (213) 244-3679  
Wayne Tanaka (NGV Sales Mgr.) (310) 781-7202

### **Metropolitan Planning Organizations**

#### **Southern California Association of Governments**

Jim Gosnell (213) 236-1800

#### **San Diego Association of Governments**

Steve Sachs (619) 595-5346

#### **Santa Barbara County Association of Governments**

Michael G. Powers (805) 568-2546

#### **Tulare County Association of Governments**

Jim Larsen (209) 733-6291

#### **Council of Fresno County Governments**

Clark Thompson (209) 233-4148

#### **Association of Monterey Bay Area Governments**

Nicolas Papadakis (408) 883-3750

#### **Monterey Bay Air District**

Mark Miller (408) 647-9411

#### **Metro Transportation Commission**

Dave Murray (510) 464-7766

#### **San Joaquin County Council of Governments**

Barton R. Meays (209) 468-3913

#### **Stansislaus Area Association of Governments**

Vince Angelino (209) 558-7830

#### **Sacramento Area Council of Governments**

Gary Keill (916) 457-2264

## *Points of Contact (cont.)*

### **California State Transportation Contact**

Garland Hagen (916) 654-2983

### **California State Energy Office**

Mike McCormack (916) 654-4652

### **U.S. Department of Energy**

#### **Seattle Regional Support Office**

San Francisco Duty Station

Clara Chun (510) 637-1943

### **U.S. Department of Transportation Contacts**

#### **Federal Highway Administration**

Region 9

Bob O'Loughlin (415) 744-3823

#### **Federal Transit Administration**

Region 9

Donna Turchie (415) 744-3133

### **General Services Administration**

#### **Regional Fleet Manager**

Region 9

Nathaniel Reed or (415) 522-2880

Greg Herren

### **U.S. Environmental Protection Agency**

#### **Regional Pollution Prevention Coordinators**

Region 9

Eileen Sheehan (415) 744-2190

Bill Wilson (415) 744-2192